

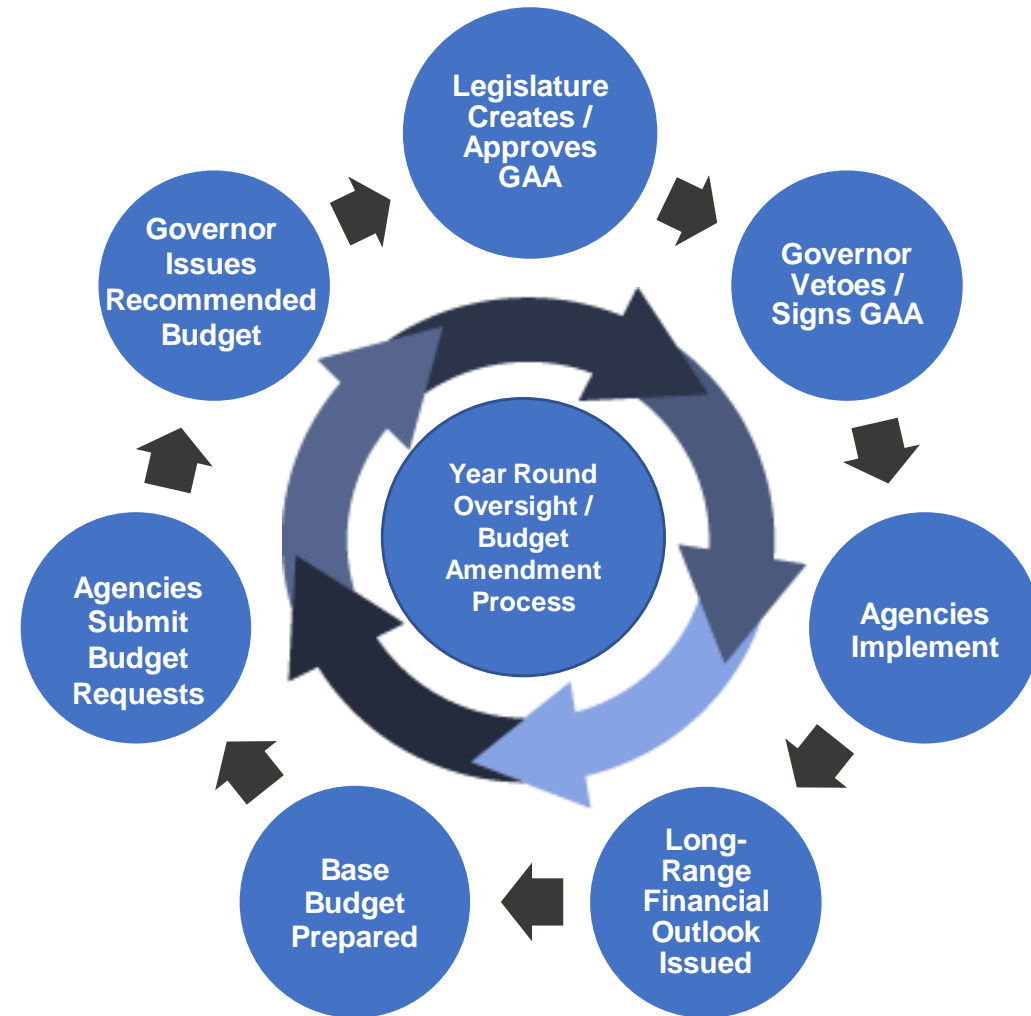
Legislator University

SSC 202
Mechanics of the Budget



The Budget Process

***State Fiscal Year
July 1 – June 30***





Major Constitutional Provisions

Article III, Section 19(a)

- Requires an annual state budget and planning process.

Article VII, Section 1(c)

- No money shall be drawn from the treasury except in pursuance of appropriation made by law.

Article VII, Section (1)(d)

- Provision shall be made by law raising sufficient revenue to defray expenses of the state for each fiscal period.

Article III, Section (8)
Article III, Section 19(b)

- Provides line item veto authority to the Governor.
- Authorizes the Governor to veto a specific appropriation in a policy bill.

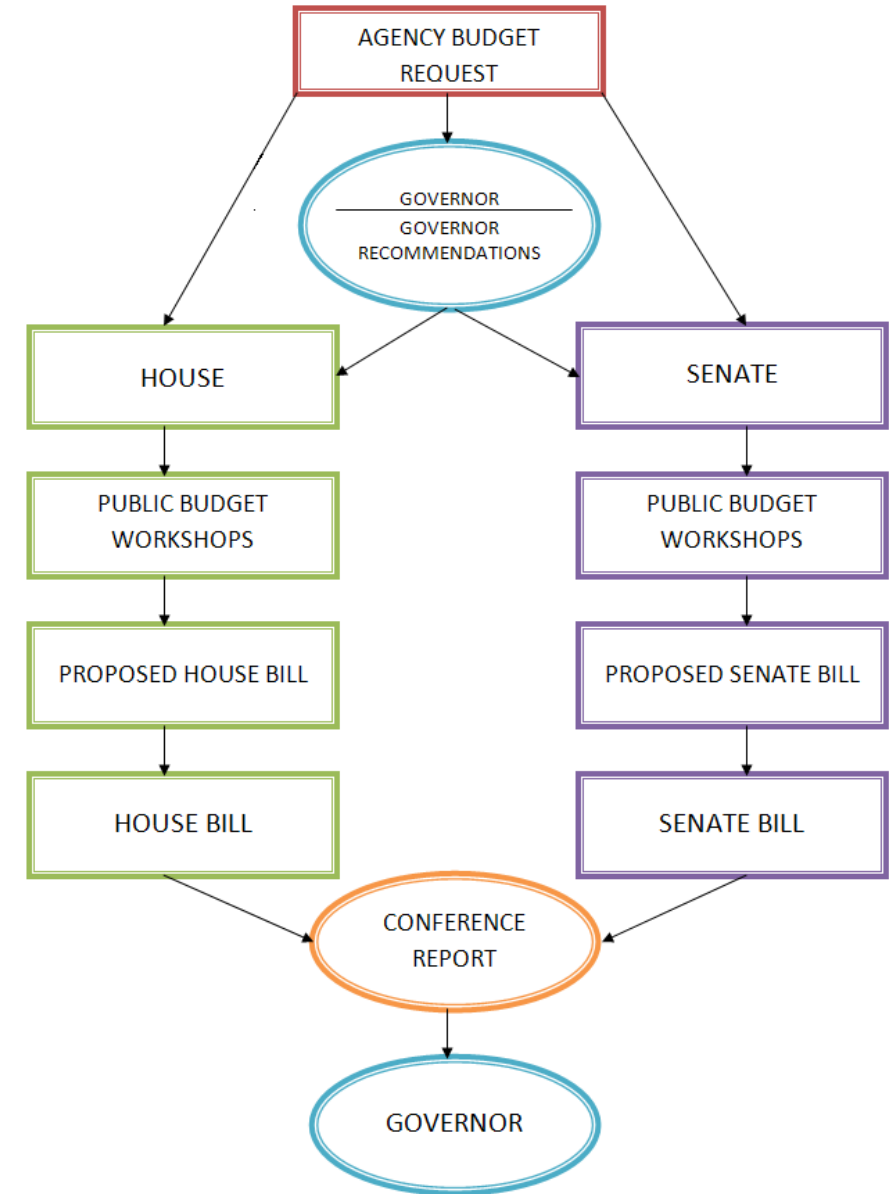
Article VII, Section 19

- No state tax or fee may be imposed, authorized, raised, or authorized to be raised except through legislation approved by two-thirds of the membership of each house of the Legislature.

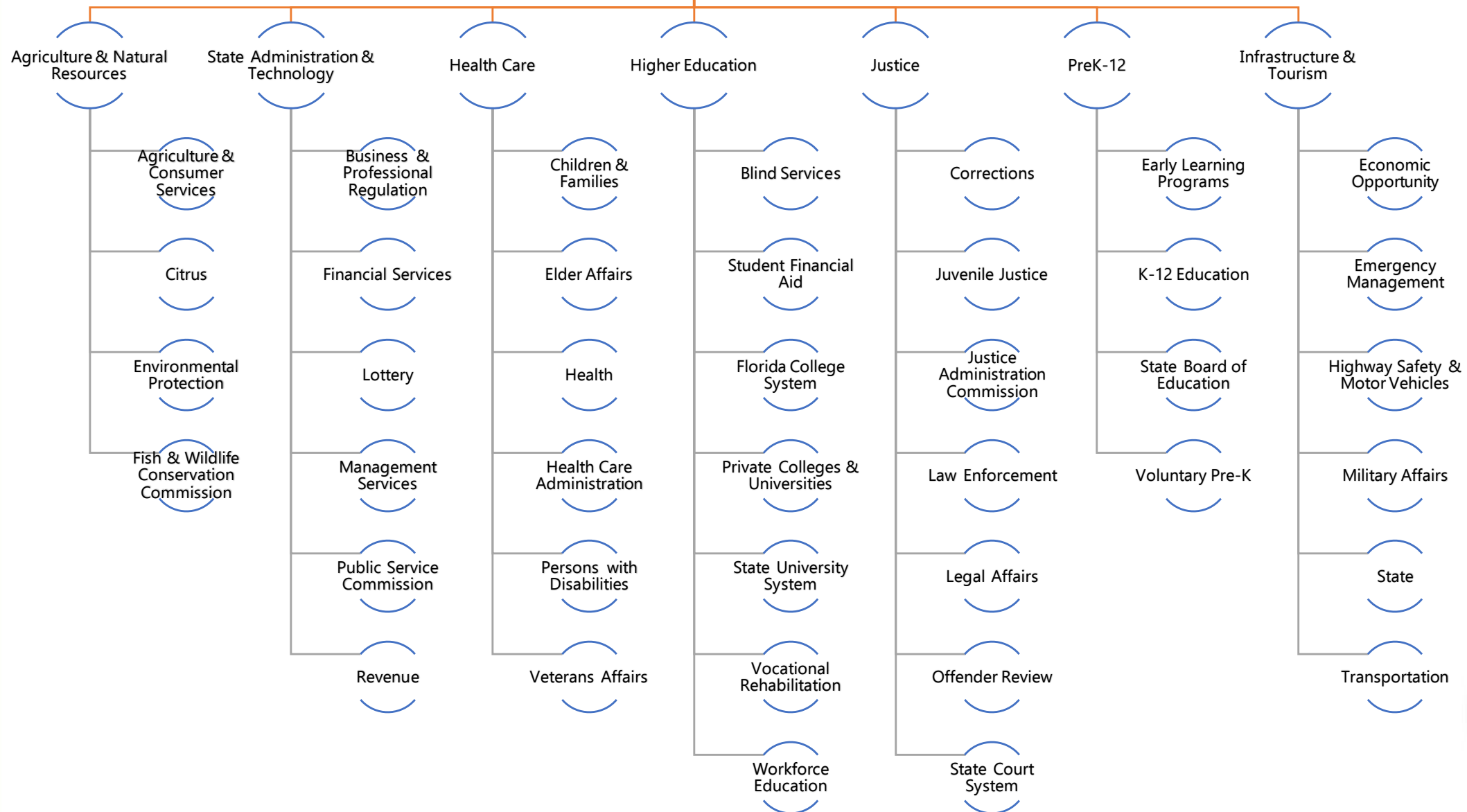


Appropriations Process

- Agency budget requests are due October 15.
- The Governor's recommended budget is due at least 30 days prior to session.
- Each chamber passes an independent appropriations bill, and the differences are resolved through a conference process.
- The conference report must be on the desk at least 72 hours prior to the conclusion of session.
- The Governor has either 7 or 15 days to take action after receiving the budget.



Appropriations Committee





Primary Funding Sources

General Revenue Fund

- State receipts from all sources, except monies deposited into trust funds.
- These revenues are available to the Legislature for any use and are allocated among various competing programs and priorities.

State Trust Funds

- State receipts that are designated for a specific purpose by law.
- The Legislature may change the law to allocate these funds for a different purpose.

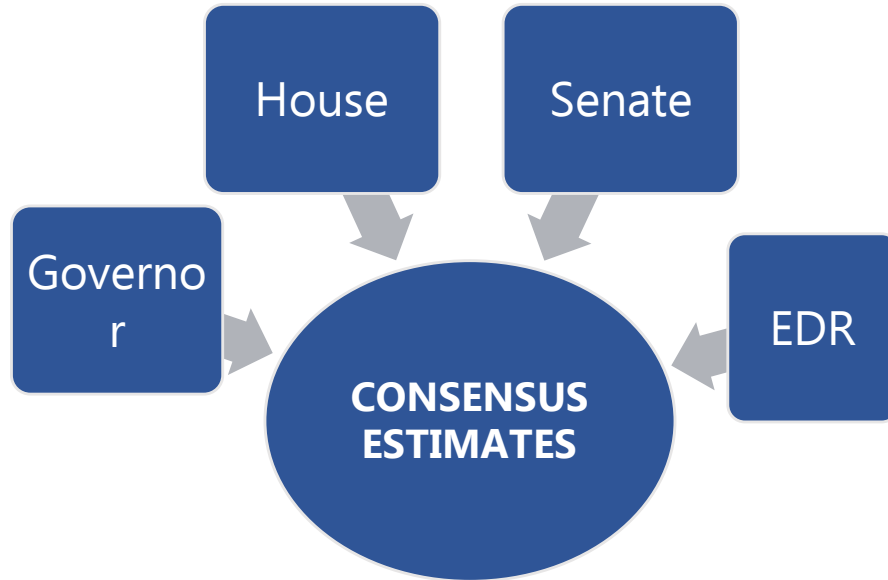
Federal Trust Funds

- Restricted program revenues from the federal government.
- Typically, there is almost no discretion in how these funds are spent—uses are specified by the governing federal grant or program.

APPROPRIATION DISCRETION



Consensus Estimating Conferences



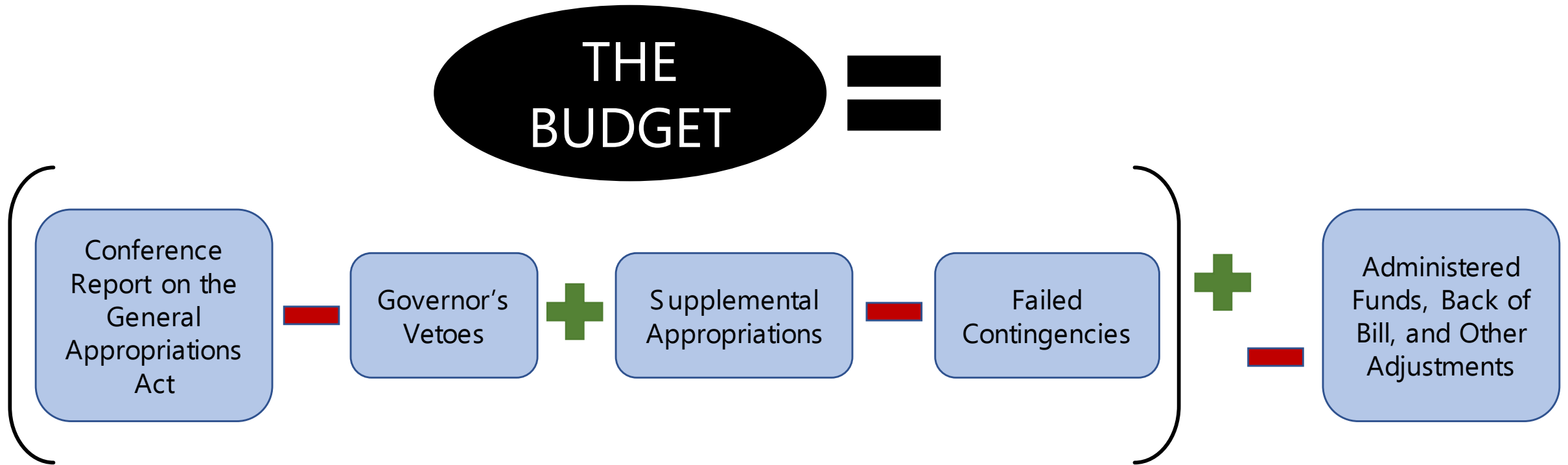
- Estimating conferences develop official information for purposes of the state planning and budgeting process.
- Adopted estimates must have the unanimous consent of all the principals.

KEY ESTIMATES DEVELOPED BY CONFERENCES

- **REVENUES AVAILABLE FOR APPROPRIATION**
General Revenue, Lottery, Public Education Capital Outlay (PECO), Transportation.
- **CASELOADS & ENROLLMENTS**
Medicaid, Public Schools, Bright Futures, Prison Population, Temporary Assistance for Needy Families.
- **FLORIDA POPULATION & DEMOGRAPHICS**
Florida Population - Births, Deaths, Net Migration, Age, Household Size.
- **ECONOMIC CONDITIONS**
Employment, Personal Income, Visitors, Gross Domestic Product, Construction.
- **FISCAL IMPACT OF PROPOSED LEGISLATION**



The Budget: Addition and Subtraction

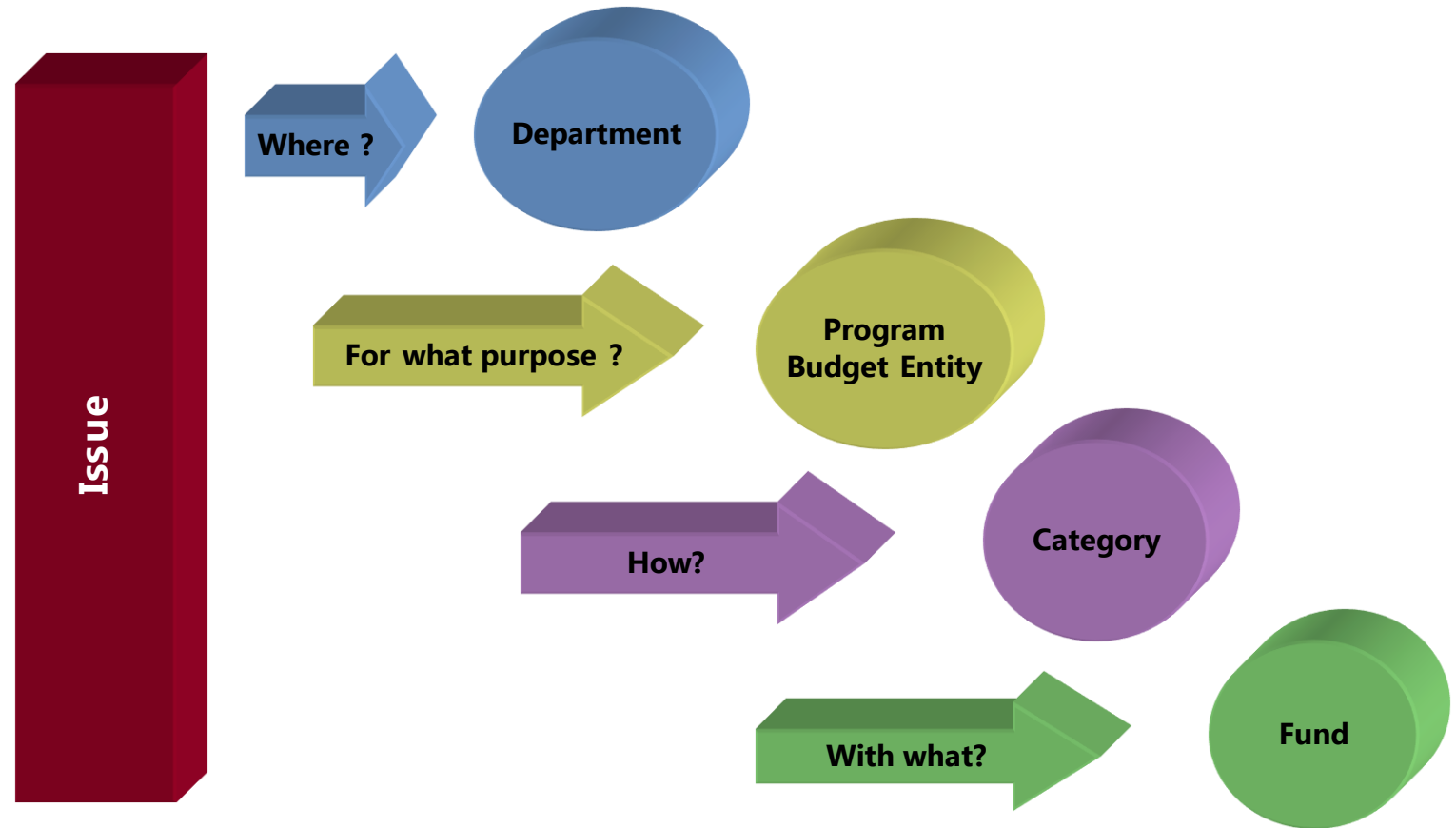




Incremental or Issue-Based Budgeting

- The starting point for each year's budget is the "**consensus base budget**" or "**start up budget**" that is agreed upon by staff members of the House, Senate, and Governor's Office.
- The base budget reflects the current year appropriations *minus nonrecurring* issues *plus annualized* issues, as adopted by the Legislature.
- Issues are incremental changes ***added to*** or ***deleted from*** the base budget.

Budget Funding Structure



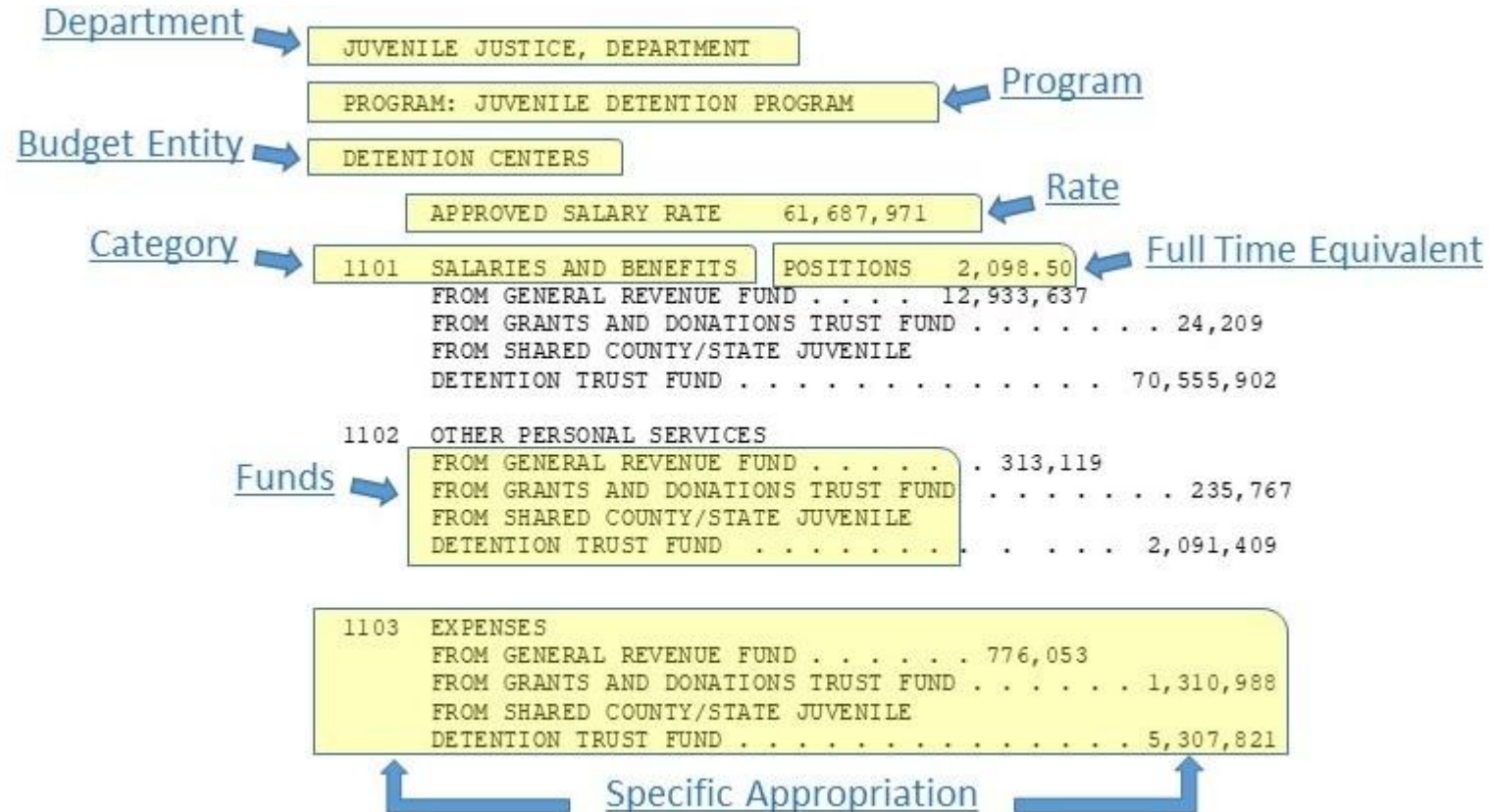


Committee Spreadsheet Example

| LINE # | ISSUE # | ISSUE TITLE | Conference Final | | | |
|--------|---|--|------------------|--------------|--------------|--------------|
| | | | FTE | TOTAL GR | RECUR GR | TRUST FUNDS |
| 129 | DEPARTMENT OF JUVENILE JUSTICE | | | | | |
| 130 | START-UP (Recurring continuation of current law and policy) | | 4,730.00 | 406,532,479 | 406,532,479 | 192,202,959 |
| 138C | 1600240 | INCREASED BUDGET AUTHORITY FOR FEDERAL GRANTS | | | | 1,603,924 |
| 140 | 2503080 | DIRECT BILLING FOR ADMINISTRATIVE HEARINGS | | 1,031 | 1,031 | |
| 141 | 3002020 | ENHANCE INFORMATION SHARING | | 186,858 | 186,858 | |
| 142 | 3200100 | REDUCTION OF EXCESS BUDGET AUTHORITY | (1.00) | | | (1,883,077) |
| 147 | 33B0540 | ELIMINATE DETENTION BED CAPACITY AT UNDERUTILIZED FACILITIES | (199.00) | (1,646,010) | (1,646,010) | (7,818,765) |
| 148 | 33G0020 | REDUCE REGIONAL MANAGEMENT AND ADMINISTRATION | (65.00) | (3,119,156) | (3,119,156) | (1,510,808) |
| 149 | 33G0030 | MIDDLE MANAGEMENT REDUCTION | (25.00) | (252,060) | (252,060) | (1,323,317) |
| 151 | 33V0470 | REDUCE DETENTION BED CAPACITY | (242.50) | (1,593,728) | (1,593,728) | (10,112,489) |
| 152 | 33V1620 | VACANT POSITION REDUCTIONS | (28.00) | (1,373,824) | (1,373,824) | |
| 154B | 33V1010 | REDUCE RESIDENTIAL SERVICES | | (4,075,334) | (4,075,334) | |
| 155 | 33V8020 | ELIMINATE RESIDENTIAL CARE FOR MISDEMEANANT YOUTH | (41.00) | (18,037,005) | (18,037,005) | |
| 156 | 33V8030 | REDUCE FUNDING FOR PRODIGY SERVICES | | (2,310,631) | (2,310,631) | |
| 159 | 3300310 | REDUCE NON-SECURE BED CAPACITY WITHIN THE RESIDENTIAL PROGRAM | | (10,359,101) | (10,359,101) | |
| 160 | 3300320 | REDUCE SECURE BED CAPACITY WITHIN THE RESIDENTIAL PROGRAM | | (7,534,862) | (7,534,862) | |
| 162 | 3309000 | REDUCE UNFUNDED GRANTS AND DONATIONS TRUST FUND BUDGET AUTHORITY | | | | (5,000,000) |
| 163 | 5001270 | ELECTRONIC MONITORING FOR MISDEMEANANT YOUTH | | 250,000 | 250,000 | |
| 164 | 5001390 | EXPAND PROBATION, PREVENTION AND INTERVENTION PROGRAMS TO OFF-SET BED REDUCTIONS | | 5,149,601 | 5,149,601 | |
| 165 | 5001395 | FLORIDA BOYS AND GIRLS CLUBS - GANG PREVENTION THROUGH TARGETED OUTREACH | | 1,700,000 | 500,000 | |
| 166 | 5001410 | YOUTH VIOLENCE PREVENTION PROGRAM | | | | |
| 167 | 5008080 | YOUTH JOBS PILOT PROJECT | | 1,000,000 | 1,000,000 | |
| 168 | 5500110 | GRANTS FOR FISCALLY CONSTRAINED COUNTIES - DETENTION CENTER COSTS | | 4,632,618 | 4,632,618 | |
| 169 | 990M000 | MAINTENANCE AND REPAIR | | 300,000 | 300,000 | |
| 172 | TOTAL: DEPARTMENT OF JUVENILE JUSTICE | | 4,128.50 | 369,450,876 | 368,250,876 | 166,158,427 |



General Appropriations Act Structure





GAA Example - Proviso

1466 SPECIAL CATEGORIES
CITRUS RESEARCH
FROM AGRICULTURAL EMERGENCY
ERADICATION TRUST FUND 8,000,000

The funds provided in Specific Appropriation 1466 shall be transferred to the Citrus Research and Development Foundation, Inc. to conduct, or cause to be conducted, research projects on citrus disease, pursuant to section 581.031(32), Florida Statutes.

From the funds in Specific Appropriation 1466, \$3,000,000 in nonrecurring funds is provided to the Citrus Research and Development Foundation to issue a request for proposal to conduct large scale scientific research field trials to demonstrate the impact of utilizing a combination of management and therapeutic tools for new plantings, including, but not limited to, grove design, planting preparation, pest management, and post planting production practices to promote increased production of citrus.

From the funds in Specific Appropriation 1466, the Citrus Research and Development Foundation shall hold quarterly public meetings at locations

Proviso is language that qualifies or restricts a specific appropriation and which can be logically and directly related to the specific appropriation.



GAA Example – Back of the Bill

SECTION 11. The unexpended balance of funds provided to the Department of Education for the Gardiner Scholarship Program in Specific Appropriation 110 and section 15 of chapter 2019-115, Laws of Florida, shall revert and is appropriated for Fiscal Year 2020-2021 to the Department of Education for the same purpose. The funds shall be 100% released to the Department of Education at the beginning of the first quarter of the fiscal year.

SECTION 12. The unexpended balance of funds provided to the Department of Education for the Community School Grant Program in Specific Appropriation 112A of chapter 2019-115, Laws of Florida, shall revert and is appropriated for Fiscal Year 2020-2021 to the Department of Education for the same purpose.

SECTION 13. The unexpended balance of funds provided to the Department of Education for the Preschool Emergency Alert Response Learning System (PEARLS) in section 16 of chapter 2019-115, Laws of Florida, shall revert and is appropriated for Fiscal Year 2020-2021 to the department for the same purpose (Senate Form 2569).

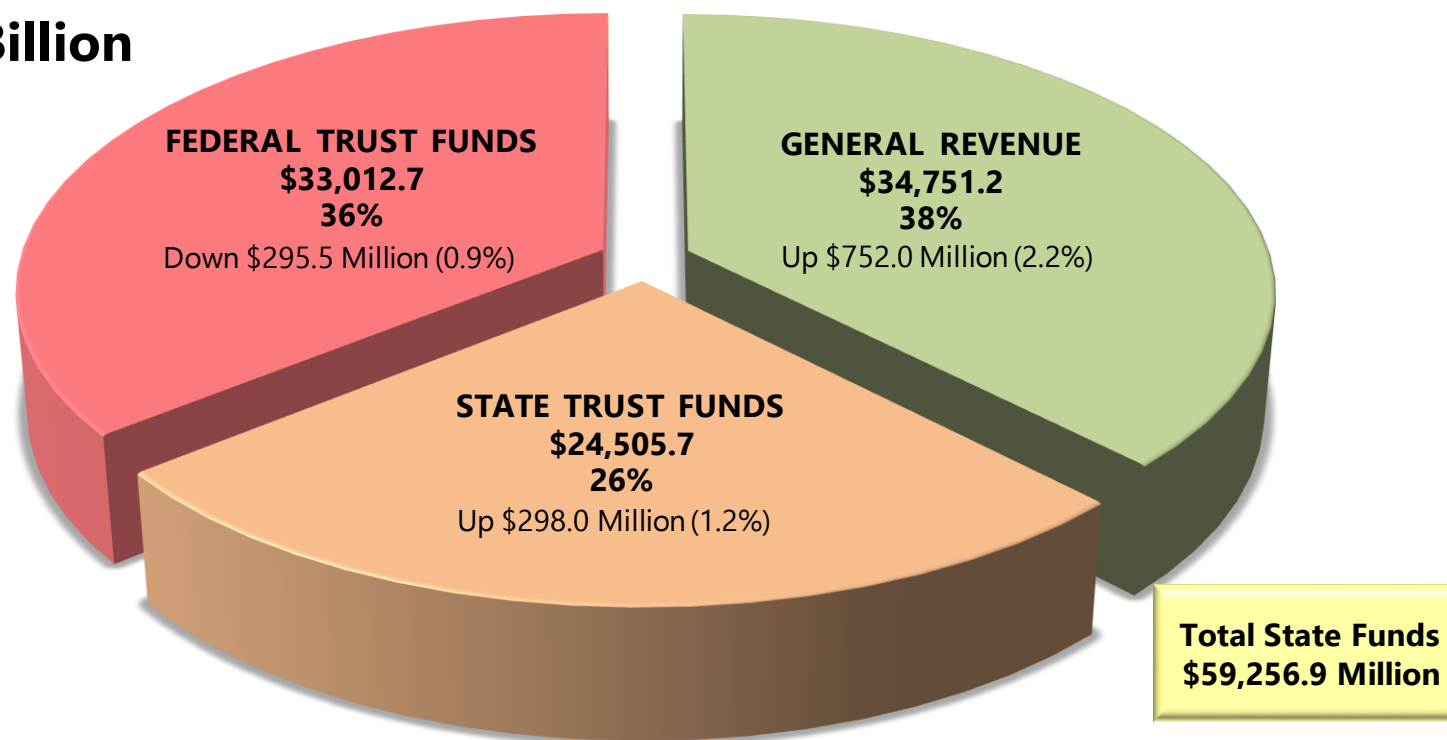
SECTION 14. The nonrecurring sum of \$5,240,750 from the Child Care and Development Block Grant Trust Fund is appropriated to the Office of Early Learning for Fiscal Year 2019-2020 for the Supplemental Disaster Relief Funds for Child Care program. Any unexpended balance of funds appropriated in this section shall revert after June 30, 2020, and is appropriated to the office for Fiscal Year 2020-2021 for the same purpose. This section is effective upon becoming law.

Back of the Bill – The sections in the back of the GAA that follow the seven program area sections required by the Florida Constitution. The back of the bill begins with section 8 and typically contains instructions for implementing any salary and benefit adjustments provided in the bill; appropriations for the current fiscal year; reversions of prior year and current year unused appropriations; authorization for current year budget amendments; and authorization for trust fund transfers to the General Revenue Fund.



Fiscal Year 2020-21 Actual Appropriations By Fund Source

\$92.3 Billion

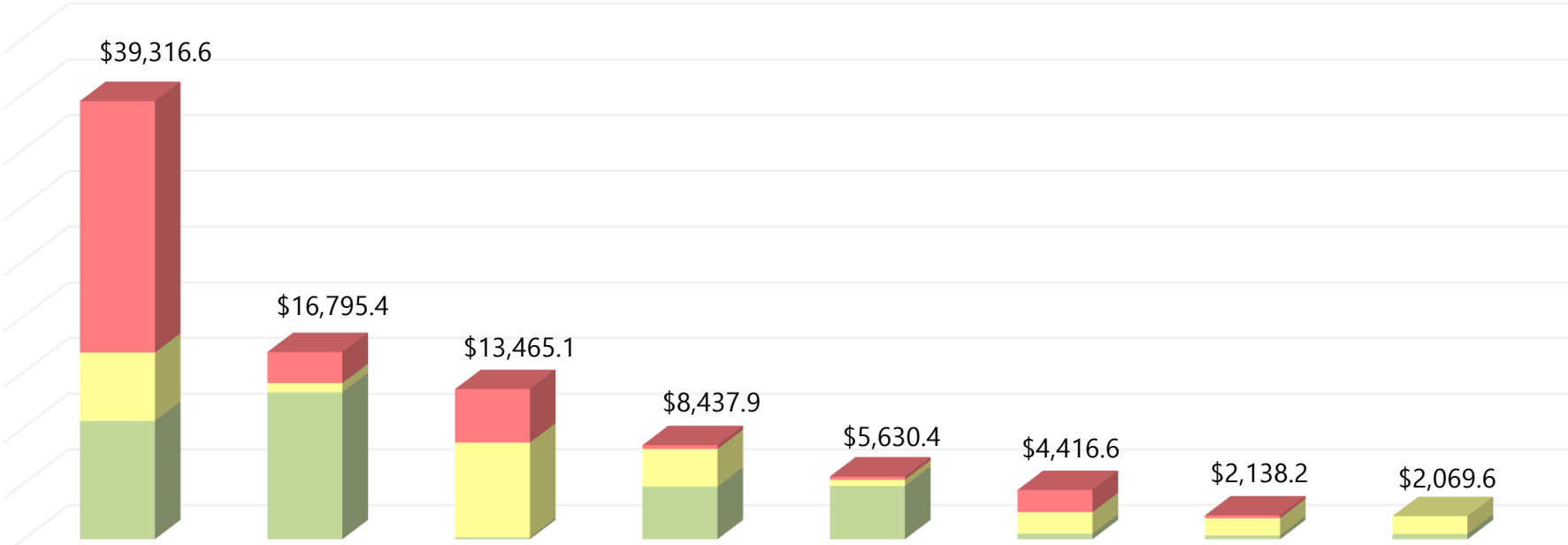


Graph shown in \$millions



Fiscal Year 2020-21 Actual Appropriations By Committee

\$92.3 Billion



Graph shown in \$millions

| | Health Care | PreK-12 Education | Infrastructure & Tourism | Higher Education | Justice | Agriculture & Natural Resources | State Administration & Technology | Appropriations Committee |
|---------------------|-------------|-------------------|--------------------------|------------------|-----------|---------------------------------|-----------------------------------|--------------------------|
| FEDERAL TRUST FUNDS | \$22,565.9 | \$2,779.9 | \$4,792.1 | \$343.0 | \$292.5 | \$1,986.5 | \$252.8 | |
| STATE TRUST FUNDS | \$6,144.4 | \$828.5 | \$8,514.0 | \$3,381.0 | \$558.5 | \$1,937.6 | \$1,545.0 | \$1,596.7 |
| GENERAL REVENUE | \$10,606.3 | \$13,187.0 | \$159.0 | \$4,713.8 | \$4,779.5 | \$492.5 | \$340.4 | \$472.8 |

Fiscal Year 2020-21 Actual Appropriations By Agency

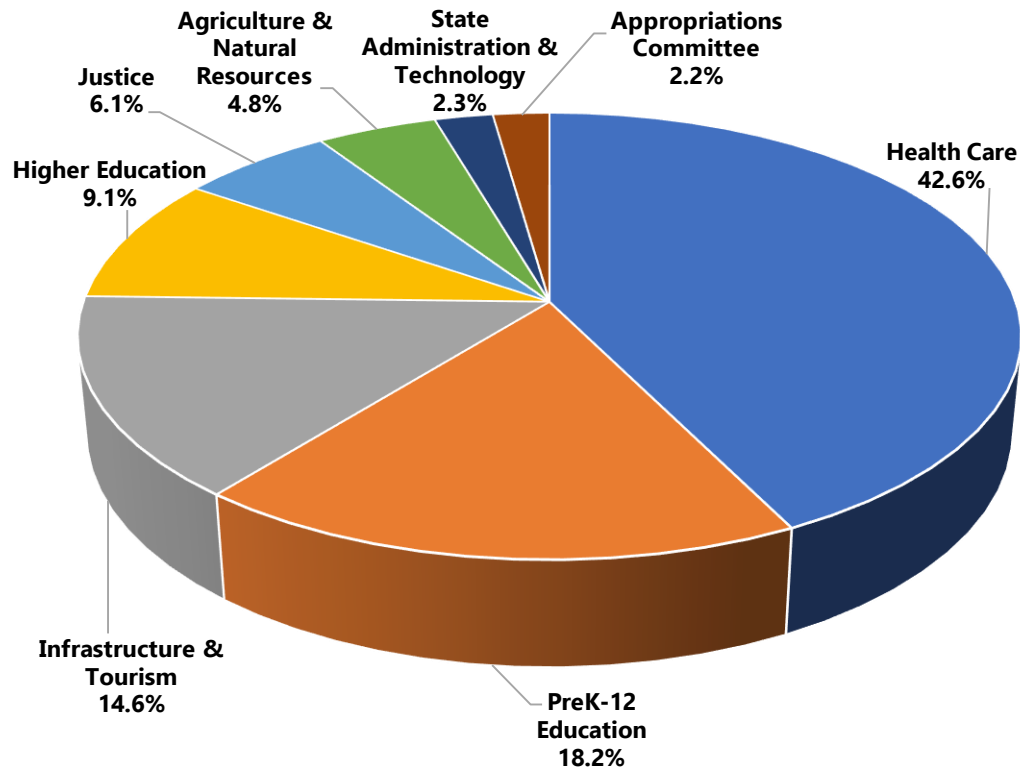


| | Department Title | State Funds | Federal Funds | Total Funds | % of Total | Cumulative % |
|----|----------------------------|-------------------|-------------------|-------------------|------------|--------------|
| 1 | AGENCY/HEALTH CARE ADMIN | \$12,231.5 | \$18,506.9 | \$30,738.3 | 33% | 33% |
| 2 | EDUCATION, DEPT OF | \$18,445.1 | \$3,123.0 | \$21,568.1 | 23% | 57% |
| 3 | TRANSPORTATION, DEPT OF | \$7,459.8 | \$2,866.4 | \$10,326.2 | 11% | 68% |
| 4 | UNIVERSITIES, DIVISION OF | \$5,207.3 | \$0.0 | \$5,207.3 | 6% | 74% |
| 5 | CHILDREN & FAMILIES | \$1,965.5 | \$1,421.2 | \$3,386.7 | 4% | 77% |
| 6 | HEALTH, DEPT OF | \$1,626.3 | \$1,512.7 | \$3,139.0 | 3% | 81% |
| 7 | CORRECTIONS, DEPT OF | \$2,821.4 | \$16.7 | \$2,838.1 | 3% | 84% |
| 8 | ENVIR PROTECTION, DEPT OF | \$1,650.8 | \$562.6 | \$2,213.4 | 2% | 86% |
| 9 | AGRIC/CONSUMER SVCS/COMMR | \$433.4 | \$1,324.6 | \$1,758.0 | 2% | 88% |
| 10 | AGENCY/PERSONS WITH DISABL | \$632.6 | \$898.1 | \$1,530.7 | 2% | 90% |
| 11 | GOVERNOR, EXECUTIVE OFFICE | \$300.4 | \$1,201.7 | \$1,502.1 | 2% | 91% |
| 12 | JUSTICE ADMINISTRATION | \$979.5 | \$34.0 | \$1,013.5 | 1% | 92% |
| 13 | ECONOMIC OPPORTUNITY | \$329.3 | \$647.6 | \$976.9 | 1% | 93% |
| 14 | MANAGEMENT SRVCS, DEPT OF | \$706.5 | \$4.7 | \$711.2 | 1% | 94% |
| 15 | REVENUE, DEPARTMENT OF | \$371.0 | \$244.4 | \$615.4 | 1% | 95% |
| 16 | STATE COURT SYSTEM | \$582.1 | \$10.4 | \$592.5 | 1% | 95% |
| 17 | JUVENILE JUSTICE, DEPT OF | \$530.2 | \$55.9 | \$586.1 | 1% | 96% |
| 18 | HIWAY SAFETY/MTR VEH, DEPT | \$493.7 | \$12.7 | \$506.4 | 1% | 97% |
| 19 | FISH/WILDLIFE CONSERV COMM | \$324.4 | \$94.3 | \$418.7 | 0% | 97% |
| 20 | FINANCIAL SERVICES | \$401.8 | \$3.4 | \$405.2 | 0% | 98% |
| 21 | ELDER AFFAIRS, DEPT OF | \$182.4 | \$187.2 | \$369.6 | 0% | 98% |
| 22 | LEGAL AFFAIRS/ATTY GENERAL | \$166.2 | \$131.6 | \$297.8 | 0% | 98% |
| 23 | LAW ENFORCEMENT, DEPT OF | \$246.4 | \$43.7 | \$290.2 | 0% | 99% |
| 24 | ADMINISTERED FUNDS | \$277.5 | \$0.0 | \$277.5 | 0% | 99% |
| 25 | LEGISLATIVE BRANCH | \$219.2 | \$0.0 | \$219.2 | 0% | 99% |
| 26 | LOTTERY, DEPARTMENT OF THE | \$188.0 | \$0.0 | \$188.0 | 0% | 99% |
| 27 | BUSINESS/PROFESSIONAL REG | \$163.4 | \$0.2 | \$163.6 | 0% | 100% |
| 28 | VETERANS' AFFAIRS, DEPT OF | \$112.4 | \$39.8 | \$152.2 | 0% | 100% |
| 29 | STATE, DEPT OF | \$86.4 | \$25.2 | \$111.6 | 0% | 100% |
| 30 | MILITARY AFFAIRS, DEPT OF | \$34.1 | \$38.5 | \$72.6 | 0% | 100% |
| 31 | ADMIN HEARINGS | \$28.0 | \$0.0 | \$28.0 | 0% | 100% |
| 32 | PUBLIC SERVICE COMMISSION | \$26.8 | \$0.0 | \$26.8 | 0% | 100% |
| 33 | CITRUS, DEPT OF | \$21.5 | \$5.0 | \$26.5 | 0% | 100% |
| 34 | FL COMMISN/OFFENDER REVIEW | \$12.1 | \$0.1 | \$12.3 | 0% | 100% |
| 35 | | <u>\$59,256.9</u> | <u>\$33,012.7</u> | <u>\$92,269.7</u> | | |

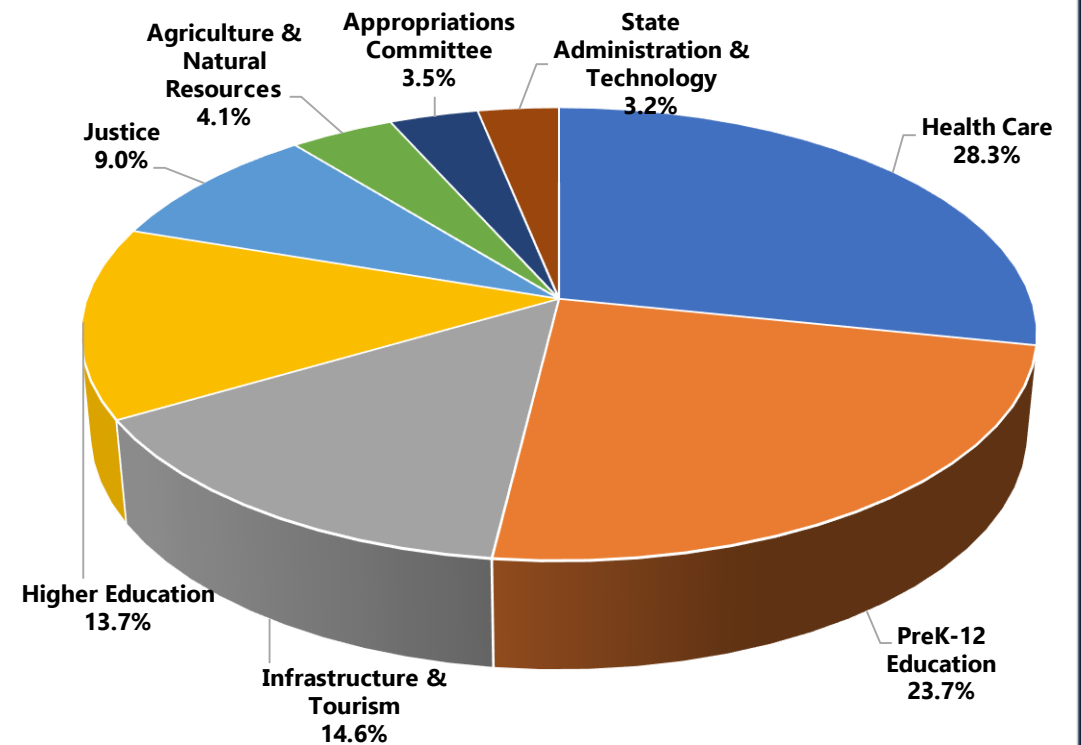


Total / State Appropriations Comparison

Total Funds = \$92,269.7 Million



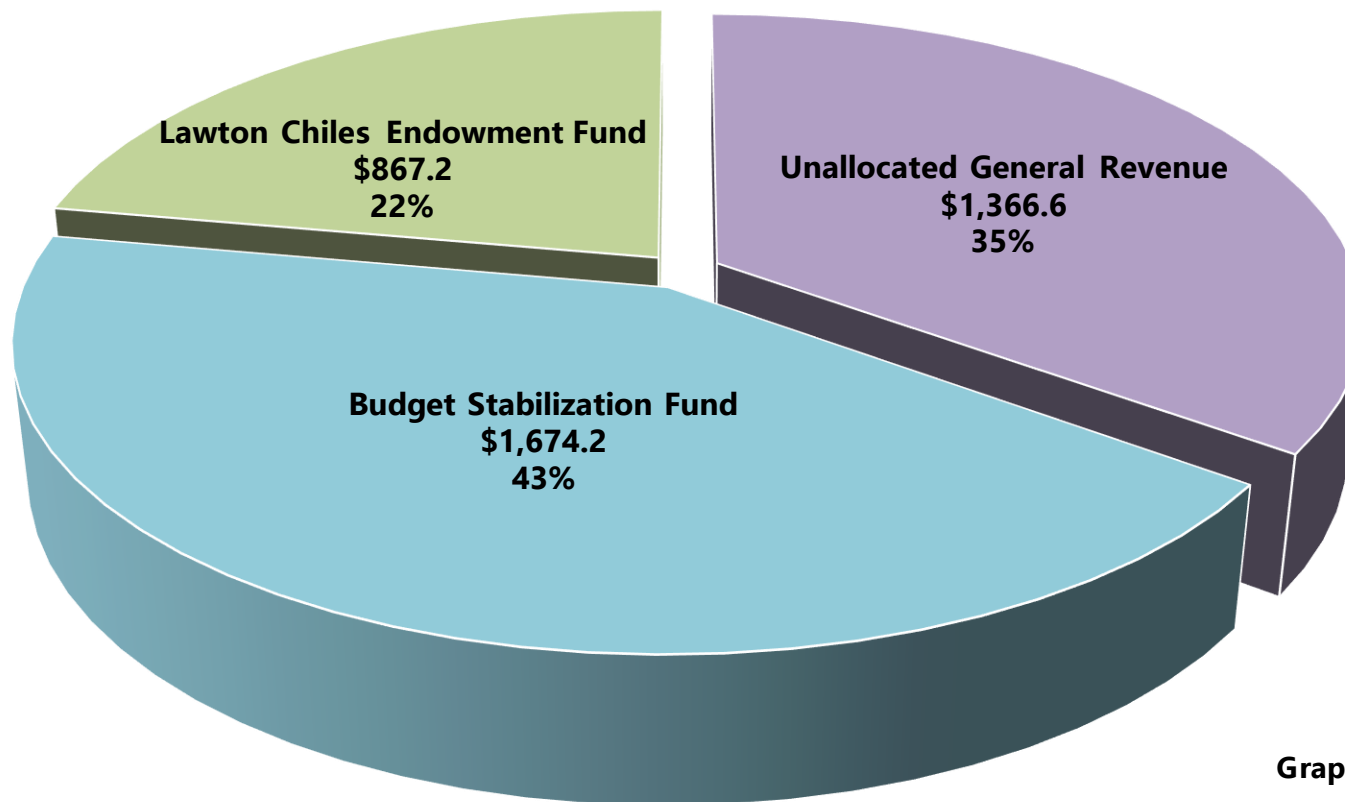
State Funds = \$59,256.9 Million





Fiscal Year 2020-21 Reserves

\$3.9 Billion



Graph shown in \$millions

There are additional unappropriated cash balances in various trust funds that could be considered reserves. These are not included in the reserves shown. The Lawton Chiles Endowment Fund is the estimated market value as of August 2020.

***Where
To Go
For
Help***



**Appropriations Committee
(850) 717-4810
221 The Capitol**

Staff

J. Eric Pridgeon, Staff Director
Tiffany Harrington, Deputy Staff Director
Alicia Trexler, Deputy Staff Director
Cheryl Randolph, Administrative Lead

Helpful Budget Links

<https://myfloridahouse.gov/budget/2021>
<https://myfloridahouse.gov/Sections/Appropriations/projects.aspx>